THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (c) No, Sir. However, in K.G. Basin, Gas Authority of India Limited (GAIL) has expanded its pipeline network for transportation of natural gas by completing two pipeline projects of 16.3 kilometres length at a cost of Rs. 12.70 crore.

**Seepage of Diesel from Tankers of BPCL**

4976. SHRI J. CHITHARANJAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government's attention has been drawn to the report captioned "This is drought of another kind; instead of water they get diesel" appeared in the Indian Express dated 22nd April, 2000;

(b) if so, whether any investigations has been made to the probable seepage of diesel from the tankers of Bharat Petroleum Corporation Ltd. depot in the area and contaminating the ground water; and

(c) if so, the detail thereof and what action has been taken to prevent such seepage?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) Yes, Sir.

(b) and (c) On receipt of complaint, Bharat Petroleum Corporation Limited conducted an investigation. Prima facie, there is no evidence to prove that the oil could seep from Manmad installation outside the boundary wall. The oil company has requested National Environmental Engineering Research Institute (NEERI) to carry out detailed study.

**Production sharing contracts under NELP**

4977. SHRI C. M. IBRAHIM: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) Whether Government have finalised the production sharing contracts for the 25 oil blocks awarded to various nations and multi-national oil companies under the New Exploration and Licensing Policy (NELP);

(b) if so, the terms of the contracts and;

(c) the modification introduced under the NELP.

THE MINISTER OF STATE DN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (c) Out of 25 exploration

blocks awarded under New Exploration Licensing policy (NELP), 1999, production sharing contracts (PSCs) for 22 blocks have been signed on 12.04.2000. The Broad terms of NELP are as under:—

- No signature, discovery or production bonus.
- No mandatory state participation.
- No carried interest by National Oil Companies (NOCs).
- Income Tax Holiday for seven years from start of commercial production.
- No custom duty on imports required for petroleum operations.
- Biddable cost recovery limit upto 100%.
- Option to amortise exploration and drilling expenditures over a period of 10 years from first commercial production.
- Biddable sharing of profit petroleum based on pre-tax investment multiple achieved by the contractor.
- Royalty for onland areas is payable at the rate of 12.5% for crude oil and 10% for natural gas. For offshore areas, it is payable at the rate of 10% for oil and natural gas. Royalty for discoveries in deep water areas beyond 400 m iso-bath will be chargeable at half the applicable rate for offshore areas for the first seven years of commercial production.
- Fiscal stability provision in the contract.
- Freedom to the contractor for marketing of oil and gas in the domestic market.
- Provision for assignment.
- Conciliation and Arbitration Act, 1996 will be applicable.

**Survey for new oil reserves by ONGC and IOC**

4978. SHRI K. M. KHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state: